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State of Minnesota

HOUSE OF REPRESENTATIVES

NINETY-THIRD SESSION

H. F. No. 3721

1.1 A bill for an act
1.2 relating to education finance; allowing school-age care programs to provide
1.3 preschool care; increasing school-age care revenue; amending Minnesota Statutes
1.4 2022, sections 124D.19, by adding a subdivision; 124D.20, subdivision 8; 124D.22.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 124D.19, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 11a. **Preschool care.** In addition to other authority, a school district that offers a
1.9 licensed child care program serving children age 33 months or older or a program that is
1.10 exempt from licensure under section 245A.03, subdivision 2, paragraph (a), clause (5), may
1.11 offer, as part of a community education program, a preschool care program for the portion
1.12 of the day a child is not enrolled in early childhood special education, a voluntary
1.13 prekindergarten program, a school readiness plus program, or a school readiness program.

1.14 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2026 and later.

1.15 Sec. 2. Minnesota Statutes 2022, section 124D.20, subdivision 8, is amended to read:

1.16 Subd. 8. **Uses of general revenue.** (a) General community education revenue may be
1.17 used for:

- 1.18 (1) nonvocational, recreational, and leisure time activities and programs;
- 1.19 (2) programs for adults with disabilities, if the programs and budgets are approved by
1.20 the department;
- 1.21 (3) adult basic education programs, according to section 124D.52;

- 2.1 (4) summer programs for elementary and secondary pupils;
- 2.2 (5) implementation of a youth development plan;
- 2.3 (6) implementation of a youth service program;
- 2.4 (7) early childhood family education programs, according to section 124D.13;
- 2.5 (8) school readiness programs, according to section 124D.15; and
- 2.6 (9) school-age care programs, according to section 124D.19, subdivision 11, and
- 2.7 preschool care programs, according to section 124D.19, subdivision 11a.

2.8 (b) In addition to money from other sources, a district may use up to ten percent of its

2.9 community education revenue for equipment that is used exclusively in community education

2.10 programs. This revenue may be used only for the following purposes:

- 2.11 (1) to purchase or lease computers and related materials;
- 2.12 (2) to purchase or lease equipment for instructional programs; and
- 2.13 (3) to purchase textbooks and library books.

2.14 (c) General community education revenue must not be used to subsidize the direct activity

2.15 costs for adult enrichment programs. Direct activity costs include, but are not limited to,

2.16 the cost of the activity leader or instructor, cost of materials, or transportation costs.

2.17 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2026 and later.

2.18 Sec. 3. Minnesota Statutes 2022, section 124D.22, is amended to read:

2.19 **124D.22 SCHOOL-AGE CARE REVENUE.**

2.20 Subdivision 1. **Eligibility.** A district that offers a school-age care program according to

2.21 section 124D.19, subdivision 11, or a preschool care program according to section 124D.19,

2.22 subdivision 11a, is eligible for school-age care revenue for the additional costs of providing

2.23 services to children with disabilities or to children experiencing family or related problems

2.24 of a temporary nature who participate in the school-age care program.

2.25 Subd. 2. **School-age care revenue.** The school-age care revenue for an eligible district

2.26 equals the approved additional cost of providing services to children with disabilities or

2.27 children experiencing family or related problems of a temporary nature who participate in

2.28 the school-age care program or the preschool care program.

2.29 Subd. 3. **School-age care levy.** To obtain school-age care revenue, a school district may

2.30 levy an amount equal to the district's school-age care revenue as defined in subdivision 2

3.1 multiplied by the lesser of one, or the ratio of the quotient derived by dividing the adjusted
3.2 net tax capacity of the district for the year before the year the levy is certified by the resident
3.3 pupil units in the district for the school year to which the levy is attributable, to ~~\$2,318~~
3.4 \$16,476.

3.5 Subd. 4. **School-age care aid.** A district's school-age care aid is the difference between
3.6 its school-age care revenue and its school-age care levy. If a district does not levy the entire
3.7 amount permitted, school-age care aid must be reduced in proportion to the actual amount
3.8 levied.

3.9 **EFFECTIVE DATE.** This section is effective for revenue for fiscal year 2026 and later.